FI Package for industries suffering from Recession

2246. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry and other Financial Institutions have worked out mutually agreed packages with Corporates in recession hit industries like Steel company of Essar Group as reported in the Economic Times dated 26th January, 1999;

(b) if so, whether similar packages would also be worked out by the Ministry of Finance/FIs in respect of other industries which are suffering due to international price competition and recession in the country; and

(c) If so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANANR-THANAN): (a) to (c) The Financial Institutions (FIs) provide financial assistance to industry based on prudential norms and financial assessment of the proposals and on their own commercial considerations.

Smuggling of Ball Bearings

2247. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government's attention has been drawn to the news-items which appeared in "The Hindustan Times", dated the 18th January, 1999, under the caption "Smuggled ball bearings flooding Indian market"; and

(b) if so, the steps taken to effectively stop this racket which is causing enormous loss to the indigenous trade and the country's economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHR7 KADAMBUR M.R. JANANR-THANAN): (a) Yes, Sir.

(b) All attempts are being made and measures taken by the field formations under the Department of Revenue, including its Revenue Intelligence Agency i.e. the Directorate of Revenue Intelligence to detect, prevent and minimise smuggling of ball-bearings into the country. Certain changes effected in the new Indo-Nepal Treaty of Transit and greater vigil by the Preventive and Intelligence agencies of the Department of Revenue, specialy on the Indo-Nepal border, in coordination with the State Police and other concerned authorities, are also expected to help in this regard.

Failure of Banks to provide economic security to Common Man

2248. SHRIMATI VEENA VERMA:
SHRI AKHILESH DAS:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken note of the fact that banks have failed to provide a viable means for common man's savings, and adequate returns by way of interest thereon; and

(b) if so, the steps taken to provide due economic security and adequate returns for the common man's savings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANANR-THANAN): (a) Reserve Bank of India (RBI) have prescribed interest rate for Savings Bank Deposit Accounts at 4.5 per cent per annum. In the case of the Domestic Term deposits of 15 days and over, where, the banks are free to decide the interest rates, the rates are in the range of 5.0—12.0 per cent per annum for public sector banks; 5.0—14.0 per cent per annum for private sector banks;

and 5.0—13.5 per cent per annum for foreign banks. While offering deposit rates for various maturities, banks are expected to take into account the anticipated return on funds lent and. invested, the inter-bank borrowing/ lending status of the individual banks, the rate of inflation, and the relative attractiveness of other saving instruments.

(b) Banks provide viable products to attract savings keeping in view economic security and return as considerations. In regard to the former, in the event of liquidation, reconstruction or amalgamation of an insured bank, every depositor of that bank is entitled to repayment of his deposits upto a monetary ceiling of Rs. 1 lakh through Deposit Insurance and credit Guarantee Corporation (DICGC).

Bank deposits are, however, only one among a variety of saving instruments and savers/investors have the freedom to choose savings avenues depending upon their risk-return preference. Bank deposits enjoy the advantages of ready liquidity, safety and easy accessibility.

Appoiotitment of Judicial Members in CEGAT

2249. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) the criteria for appointment of judicial members in the Customs, Excise and Gold (Control) Appellate Tribunal (CEGAT);

(b) the number of persons panelled/ selected for the appointment of judicial members during the year 1995 on the basis of advertisement made in 1995; and

(c) the number of those appointed out of the panel prepared in the year 1995 and of those who were left and not appointed and grounds on which those left over were not appointed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANANR-THANAN): (a) Sir, as per rule 3 of the Customs, Excise and Gold (Control) Appellate Tribunal Members (Recruitment & Conditions of service) Rules, 1987, a person who has attained the age of 45 years can be appointed as Judicial Member in the Tribunal if:—

(i) he has, for atleast 10 years, held a judicial office in the territory of India; or

(ii) he has been a member of the Indian Legal Service and has held a post in Grade 1 of that service or any equivalent or higher post for atleast 3 years; or

(iii) he has been an advocate for atleast 10 years.

(b) Five.

(c) All the five persons recommended by the Selection Committee have been appointed.

CEGAT Benches at Bangalore and Ahmedabad

2250. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) the sanctioned strength of various benches of Customs, Excise and Gold (Control) Appellate Tribunal (CEGAT);

(b) the number of benches operating/ functioning alongwith their locations;

(c) the number of benches which are not operating after being created with the reasons therefor;

(d) whether there was a proposal to create two new benches at Bangalore and Ahmedabad; and

(e) if so, the reasons for not creating benches of CEGAT at those places?